
Financial statements of
The College of Family
Physicians of Canada

February 29, 2024

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Independent Auditor's Report

To the Members of
The College of Family Physicians of Canada

Opinion

We have audited the financial statements of The College of Family Physicians of Canada (the "College"), which comprise the statement of financial position as at February 29, 2024 and the statement of revenue and expenses, changes in members' equity and cash flows for the year ended, and a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at February 29, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
July 17, 2024

The College of Family Physicians of Canada

Statement of financial position

As at February 29, 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash		6,617,272	11,675,079
Restricted cash	2	112,150	102,619
Short-term investments		8,000,000	7,000,000
Accounts receivable	12	2,418,455	961,358
Prepaid expenses and other current assets		1,552,510	964,769
		18,700,387	20,703,825
Long-term investments	3	31,060,286	30,595,796
Capital assets	4	6,205,107	6,383,947
		55,965,780	57,683,568
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	7,446,018	4,089,728
Funds held for external projects	2	112,150	102,619
Deferred revenue	5	16,981,722	19,719,083
		24,539,890	23,911,430
Employee future benefits and employee future non-pension benefits	6	3,053,600	2,913,900
		27,593,490	26,825,330
Members' equity			
Reserve fund	8	28,372,290	30,858,238
		55,965,780	57,683,568

The accompanying notes are an integral part of the financial statements.

The College of Family Physicians of Canada

Statement of revenue and expenses

Year ended February 29, 2024

	Revenue	Expenses	2024 Net	Revenue	Expenses	2023 (9 months) Net
	\$	\$	\$	\$	\$	\$
Membership revenue	27,427,888	—	27,427,888	19,276,168	—	19,276,168
Certification and Assessment						
Family Medicine Exam	6,358,170	9,440,810	(3,082,640)	1,078,017	4,022,855	(2,944,838)
Certificate of Added Competence Plus Emergency Medicine Exam	1,152,202	2,048,002	(895,800)	855,780	2,326,347	(1,470,567)
Alternate Pathways plus Pearls CE	1,289,290	622,352	666,938	727,359	447,845	279,514
	8,799,662	12,111,164	(3,311,502)	2,661,156	6,797,047	(4,135,891)
Self Funding Programs						
Family Medicine Forum	3,734,971	3,167,011	567,960	3,036,332	4,326,891	(1,290,559)
Non Member Mainpro+ Participants	2,299,670	2,075,172	224,498	1,557,974	1,763,697	(205,723)
Self Learning	1,610,651	1,564,966	45,685	1,816,437	1,065,638	750,799
Investment income	3,045,393	—	3,045,393	449,838	—	449,838
	10,690,685	6,807,149	3,883,536	6,860,581	7,156,226	(295,645)
Programs Supported by Member Fees						
Continuing Professional Development	410,016	8,148,055	(7,738,039)	283,534	5,226,372	(4,942,838)
Canadian Family Physician Journal	852,343	4,150,934	(3,298,591)	623,270	2,828,010	(2,204,740)
Health Policy & Government Relations	12,531	2,204,075	(2,191,544)	—	1,359,812	(1,359,812)
Education	24,427	5,097,802	(5,073,375)	—	3,241,239	(3,241,239)
Accreditation	—	2,400,218	(2,400,218)	—	1,507,827	(1,507,827)
Research	44,958	2,977,178	(2,932,220)	81,373	1,940,946	(1,859,573)
Programs and Practice Support	262,698	5,442,951	(5,180,253)	506,441	4,095,615	(3,589,174)
Besroure Centre	129,961	837,873	(707,912)	129,496	992,536	(863,040)
Foundation for Advancing Family Medicine	11,045	2,147,301	(2,136,256)	35,285	1,259,420	(1,224,135)
	1,747,979	33,406,387	(31,658,408)	1,659,399	22,451,777	(20,792,378)
Team Primary Care Project (Funded from FAFM)	17,886,516	16,408,278	1,478,238	2,881,700	2,510,069	371,631
	66,552,730	68,732,978	(2,180,248)	33,339,004	38,915,119	(5,576,115)

The accompanying notes are an integral part of the financial statements.

The College of Family Physicians of Canada
Statement of changes in members' equity
Year ended February 29, 2024

	Invested in capital assets	Unrestricted	Reserve fund	2024 Total	2023 (9 months) Total
Note	\$	\$	\$	\$	\$
Members' equity, beginning of year	6,383,947	(6,383,947)	30,858,238	30,858,238	36,489,053
Deficiency of revenue over expenses	(1,710,472)	1,710,472	(2,180,248)	(2,180,248)	(5,576,115)
Remeasurements and other items	—	—	(305,700)	(305,700)	(54,700)
Capital asset additions	1,531,632	(1,531,632)	—	—	—
Transfers	—	—	—	—	—
Members' equity, end of year	6,205,107	(6,205,107)	28,372,290	28,372,290	30,858,238

The accompanying notes are an integral part of the financial statements.

The College of Family Physicians of Canada

Statement of cash flows

Year ended February 29, 2024

	Note	2024 \$	2023 (9 months) \$
Operating activities			
Deficiency of revenue over expenses		(2,180,248)	(5,576,115)
Amortization		1,710,472	1,817,625
Employee future benefits and employee future non-pension benefits (net of remeasurements and other items \$(305,700) ((\$54,700) in 2023))		(166,000)	(244,800)
Change in unrealized loss (gain) on investments		(1,362,179)	4,907,842
		(1,997,955)	904,552
Change in non-cash operating working capital	9	(1,416,378)	15,205,125
		(3,414,333)	16,109,677
Investing activities			
Purchase of capital assets		(1,531,632)	(2,704,377)
Decrease (increase) in long-term investments		897,689	(5,210,248)
Purchase of short-term investments		(1,000,000)	(4,500,000)
		(1,633,943)	(12,414,625)
(Decrease) increase in cash		(5,048,276)	3,695,052
Cash, beginning of year		11,777,698	8,082,646
Cash, end of year		6,729,422	11,777,698
Represented by			
Cash		6,617,272	11,675,079
Restricted cash		112,150	102,619
		6,729,422	11,777,698
Supplemental cash flow information			
Interest received		478,675	356,968

The accompanying notes are an integral part of the financial statements.

The College of Family Physicians of Canada

Notes to the financial statements

February 29, 2024

The College of Family Physicians of Canada (the "College"), founded in 1954, was incorporated in 1960 by Special Act of Parliament and, in 1968, was granted letters patent under the Canada Corporations Act and was continued under the Canada Not-for-Profit Corporations Act on June 1, 2014. The College was established to sustain and improve the professional qualifications of members of the medical profession who are engaged in family practice in Canada through education, research, and the publication of journals.

The College is a not-for-profit organization and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met. The fiscal year end of the College changed in the prior period from May 31 to February 28/29

1. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations published by the Chartered Professional Accountants of Canada, using the deferral method of accounting for restricted contributions.

These financial statements do not include the results of operations and assets and liabilities of each of the provincial chapters of the College (the "Chapters").

(b) Revenue

Membership fees are billed annually to members with the effective date of July 1 as the renewal date. Any new members joining during the year are billed at a pro-rata fee from the date they joined to the next June 30. A similar approach is followed for Non-Member MainPro+ Participants (NMMPs). Deferred membership fees represent unearned funds received as membership fees. Revenue for Examinations, professional development, Family Medicine Forum and other are recognized as revenue in the year in which the related expenses are incurred.

(c) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on the straight-line basis as follows:

Furniture and fixtures	15 years
Office equipment	5 years
Computer equipment	3 years
Software	3-8 years
Leasehold improvements	Over term of lease

For the purposes of financial reporting, the accounting treatment for capital assets is as follows: all movable and fixed equipment having a useful life in excess of one year and a unit or grand total cost in excess of \$1,000; all leasehold improvements having a useful life in excess of one year and a total cost in excess of \$20,000 and software development having a useful life in excess of one year and a cost in excess of \$5,000 per project will be capitalized. Equipment costing less than \$1,000 is amortized at 100% in the year of acquisition. Capital assets not ready for use are not amortized.

1. Significant accounting policies (continued)

(d) Employee future benefits

The cost of pension benefits earned by employees is actuarially determined using the most recently completed actuarial valuation prepared for funding purposes (but not one prepared using a solvency, wind-up, or similar valuation basis) for measuring its defined benefit plan obligations. A funding valuation is prepared in accordance with pension legislation and regulations, generally to determine required cash contributions to the plan.

The College recognizes:

- the defined benefit obligation, net of the fair value of any plan assets, adjusted for any valuation allowance, in the statement of financial position; and
- the costs of the plans for the year.

(e) Financial instruments

The College's financial assets are comprised of cash, restricted cash, short-term and long-term investments, accounts receivable, and accrued interest receivable. Financial liabilities are comprised of accounts payable and accrued liabilities and funds held for external projects.

Financial assets and financial liabilities are initially recognized at fair value when the College becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for equities quoted in active markets, which are carried at fair value. The College has elected to use the fair value option to measure all of its investments. Any subsequent changes in fair value are recorded in the statement of revenue and expenses.

Fair value of investments is determined as follows: fixed income and equity securities are valued at year-end quoted bid prices where available. Where quoted bid prices are not available, estimated fair values are calculated using comparable securities. Transaction costs are expensed as incurred.

(f) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include allowance for doubtful accounts, accrued liabilities, deferred revenue, employee future benefits and employee future non-pension benefits, and amortization expense.

The College of Family Physicians of Canada

Notes to the financial statements

February 29, 2024

2. Restricted cash

Restricted cash includes amounts held in bank accounts and are restricted for eligible expenditures on external projects.

Amounts being held for external projects are as follows:

	2024	2023
	\$	\$
Coalition for Physician Learning & Practice Improvement ("CPLPI")	78,895	76,782
Association of Canadian Chairs in Family Medicine ("ACCFM")	23,213	14,842
Family Medicine National Education Administrators ("FMNEA")	10,042	10,995
	112,150	102,619

3. Long-term investments

Long-term investments consist of the following:

	Market value	2024 Cost	Market value	2023 Cost
	\$	\$	\$	\$
Fixed income	14,967,877	16,041,397	15,525,583	16,966,404
Equity portfolio	16,092,409	13,075,452	15,070,213	13,048,134
	31,060,286	29,116,849	30,595,796	30,014,538

The College has investments in bonds and other government secured certificates with varying dates of maturity, as well as investments in equity instruments. These investments yield returns at rates ranging from 0.3% to 7.7% (0.3% to 6.1% in February 28, 2023 per annum).

The College holds securities, which are subject to market risk, interest rate risk, and cash flow risk. These risks will also impact future cash flow streams, including dividends, gains, and losses, and interest income.

The value of equities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within specific governments and corporations, which issue the security.

The value of fixed income securities will generally increase if interest rates decrease and decrease if interest rates increase. Changes in interest rates may also affect the value of equity securities. The College does not enter into any derivative instrument arrangements for hedging or for speculative purposes.

Further information on the fixed income securities is as set out below:

	Market value	2024 Annual yield	Market value	2023 Annual yield
	\$	%	\$	%
Term to maturity				
One to three years	5,617,310	3.38	6,375,411	2.76
Greater than three years	9,350,567	4.01	9,150,172	4.09
	14,967,877		15,525,583	

4. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
	\$	\$	\$	\$
Computer equipment and software	18,608,495	14,209,332	4,399,163	1,849,447
Work in Progress	1,620,305	—	1,620,305	4,295,686
Leasehold improvements	2,995,762	2,900,984	94,778	118,514
Office equipment	716,759	697,625	19,134	37,771
Furniture and fixtures	174,009	102,282	71,727	82,529
	24,115,330	17,910,223	6,205,107	6,383,947

5. Deferred revenue

The College defers revenue in certain cases, as these amounts have been paid in advance of the completion of the particular program, examination, or service to be provided. These amounts will be recorded as revenue when earned. Deferred revenue is comprised of the following:

	2024	2023
	\$	\$
Membership fees	9,226,152	8,662,248
Examination fees	6,610,250	5,448,180
Team Primary Care Project ("TPC")	—	3,516,285
Self learning program	202,420	1,344,763
Family Medicine Forum ("FMF")	1,795	4,635
Maintenance of proficiency ("Mainpro+") non-member	769,638	664,222
Pearls certification eligibility	87,330	72,570
Physician Wellness	84,137	—
Canadian Family Physician ("CFP")	—	6,180
	16,981,722	19,719,083

6. Employee future benefits and employee future non-pension benefits

The College maintains a pension plan for certain employees, which provides benefits, the greater of a defined benefit or defined contribution plan. The College also offers certain employees other supplemental benefits in a non-funded plan. The defined benefit members approved a transfer of the registered pension plan to the College of Applied Arts and Technology ("CAAT") pension plan. As such, a curtailment has been accounted for, as disclosed below. The following significant actuarial assumptions were employed to determine the periodic pension expense and the accrued benefit obligation:

	Registered pension plan	Supplemental benefits	2024 Future non-pension benefits
Discount rate, beginning of year	5.05%	5.05%	5.05%
Discount rate, end of year	5.05%	5.00%	5.05%
Assumed rate of compensation increase	3.25%	3.25%	—

6. Employee future benefits and employee future non-pension benefits (continued)

	Registered pension plan	Supplemental benefits	2023 Future non-pension benefits
Discount rate, beginning of year	5.05%	4.95%	4.95%
Discount rate, end of year	5.05%	5.05%	5.00%
Assumed rate of compensation increase	3.25%	3.25%	—

	Registered pension plan	Supplemental benefits	Future non-pension benefits	2024 Total
	\$	\$	\$	\$
Accrued benefit obligation, beginning of year	10,740,100	1,899,900	1,014,000	13,654,000
Service cost	1,277,900	41,800	244,582	1,564,282
Interest cost	526,200	93,300	—	619,500
Benefits paid	(642,400)	(121,500)	(135,582)	(899,482)
Actuarial (gain) loss	(39,000)	17,100	—	(21,900)
Accrued benefit obligation, end of year	11,862,800	1,930,600	1,123,000	14,916,400
Fair value of assets, end of year	13,558,500	—	—	13,558,500
Valuation allowance	1,695,700	—	—	1,695,700
Employee future benefits liability, end of year	—	(1,930,600)	(1,123,000)	(3,053,600)

	Registered pension plan	Supplemental benefits	Future non-pension benefits	2023 Total
	\$	\$	\$	\$
Accrued benefit obligation, beginning of year	10,705,200	2,056,000	1,048,000	13,809,200
Service cost	72,700	48,700	60,634	182,034
Remeasurement, change in discount rate	—	(205,900)	—	(205,900)
Interest cost	399,700	69,400	—	469,100
Benefits paid	(449,100)	(57,700)	(94,634)	(601,434)
Transfer from defined contribution plan	—	—	—	—
Actuarial loss (gain)	11,600	(10,600)	—	1,000
Accrued benefit obligation, end of year	10,740,100	1,899,900	1,014,000	13,654,000
Fair value of assets, end of period	12,215,100	—	—	12,215,100
Valuation allowance	1,475,000	—	—	1,475,000
Employee future benefits liability, end of year	—	(1,899,900)	(1,014,000)	(2,913,900)

6. Employee future benefits and employee future non-pension benefits (continued)

The amount recognized in the statement of revenue and expenses for the year ended February 29, 2024 for the defined benefit pension plan was an adjustment of \$(6,449) (adjustment of \$(14,166) for the year ended February 28, 2023), for the defined contribution plan was an expense of \$0 (expense of \$123,000 for the year ended February 28, 2023), and for the supplemental benefits was an expense of \$135,106 (expense of \$118,147 for the year ended February 28, 2023).

7. Lease commitments

Future minimum rental payments, including taxes and maintenance charges on office premises and office equipment required under operating leases that have terms in excess of one year, are as follows:

	Equipment \$	Maintenance \$	Total \$
2025	30,655	2,044,349	2,075,004
2026	29,052	2,158,045	2,187,097
2027	16,947	2,242,152	2,259,099
2028	—	2,279,194	2,279,194
2029	—	2,317,292	2,317,292
Thereafter	—	4,551,126	4,551,126
	<u>76,654</u>	<u>15,592,158</u>	<u>15,668,812</u>

8. Reserve fund

The reserve fund has been established to provide for unanticipated decreases in revenue or increases in administrative and operating costs of the College. These funds are administered by the College through the Executive Committee under policies established and approved by the Board of Directors.

	2024 \$	2023 \$
Balance, beginning of year/period	30,858,238	36,489,053
Transfer from Unrestricted fund Deficiency of revenue over expenses before reserve transfers	(2,180,248)	(5,576,115)
Net transfer from reserve fund before the undernoted	(2,180,248)	(5,576,115)
Remeasurements and other items	(305,700)	(54,700)
Net transfer to reserve fund	(2,485,948)	(5,630,815)
Balance, end of year/period	28,372,290	30,858,238

9. Change in non-cash operating working capital

	2024	2023
	\$	(9 months) \$
Accounts payable and accrued liabilities	3,356,290	(447,612)
Funds held for external projects	9,531	4,392
Prepaid expenses and other current assets	(587,741)	830,871
Deferred revenue	(2,737,361)	14,973,340
Accounts receivable	(1,457,097)	(155,866)
	(1,416,378)	15,205,125

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities is nil (nil in 2023) with respect to government remittances.

11. Contingencies and guarantees

The College is exposed through various programs to possible litigations matters. Although the College is not currently involved in any new litigation, adequate provision has been made for these matters and, accordingly, their ultimate disposition is not expected to have a material effect on its operations or financial position.

The College has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements, the College agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on, or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

Indemnity has been provided to all directors and/or officers, employees, volunteers, or members of any duly constituted committee of the College for various items including, but not limited to, all costs to settle suits or actions due to association with the College, subject to certain restrictions. The College has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined but is limited to the year over which the indemnified party served as a director, officer, employee, volunteer, or member of any committee of the College. The maximum amount of any potential future payment cannot be reasonably determined.

In the normal course of business, the College has entered into agreements that include indemnities in favor of third parties, marketing agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements, and service agreements. These indemnification agreements may require the College to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the College from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability, which stems from the unpredictability of future events and the unlimited coverage offered to counterparties.

Historically, the College has not made any significant payments under such or similar indemnification agreements, and therefore, no amount has been accrued in the financial statements with respect to these agreements.

12. Related party transactions

The College supports the financial requirements for the salaries and operating costs of The Foundation for Advancing Family Medicine ("FAFM"). The College has a separate and distinct Board of Directors, which makes requests to the FAFM for fundraising for the College's priorities; the FAFM reviews such requests for feasibility before approving and proceeding. The College has an economic interest in the FAFM, as the FAFM raises/solicits funds for various projects undertaken by the College.

The FAFM was established in 1994 and granted letters of patent under the Canada Corporations Act and it was continued under the Canada Not-for-profit Corporations Act on June 1, 2014. The FAFM mandate is to actively seek sources of funding in order to stimulate and support, at a high level, the science, art, and practice of family medicine. The FAFM is a registered charity organization and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

During the year ended February 29, 2024, the College contributed \$1,403 (\$11,500 for the year ended February 28, 2023) towards the Foundation's Awards program costs. In addition, the College incurred a net expense of \$2,136,256 (\$1,224,135 for the year ended February 28, 2023) for operational, administrative and shared expenses on behalf of the Foundation. Related party transactions are measured at the exchange amount. At February 29, 2024 the College has a receivable balance of \$1,858,993 from FAFM (\$376,045 at February 28, 2023).

13. Full cost accounting

Allocation of centralized and shared expenses and revenues

The College allocates its centralized and shared expenses and revenues on a functional basis to individual programs offered by the College to its members and others. The method is described in the Budget Principles that are reviewed by the Board of Directors on an annual basis. These allocations are done as a series of steps as follows:

Step 1:

FMF Expenses and Revenue related to special events held at FMF are allocated to the appropriate department. This includes direct costs related to those delegates that have been given complimentary status and direct costs related to award recipients who do not pay FMF Fees.

- The full cost of Complimentary/VIP attendees will be charged back to the applicable department.
- The full cost of the space at College Square will be charged back to the applicable department.
- The net deficit of events will be charged back to the applicable department responsible for interactions with the majority of attendees.

Step 2:

Design and development expenses and revenues related to Certification and Assessment are allocated to the following programs, using the ratio of individual direct program expenses and revenues to the total direct program expenses calculated after Step 1:

- Family Medicine Certification Examination
- Certificates of Added Competence (includes Emergency Medicine Examination)
- Alternative Pathways plus Pearls CE

13. Full cost accounting (continued)

Allocation of centralized and shared expenses and revenues (continued)

Step 3:

Continuing Professional Development expenses and revenues are allocated to the following programs, using the ratio of the number of Non-Member Mainpro+ Participants (NMMPs) as compared to the number of Members that must meet Mainpro+ requirements per licensing bodies and the requirements to maintain membership in the College:

- NMMPs
- Members' Continuing Professional Development expenses

Step 4:

Centralized and shared expenses and revenues are allocated between NMMPs and Members based upon the ratio of NMMPs to Members.

Step 5:

Centralized and shared expenses and revenues allocated in Step 4 to Members are further distributed to the following programs, using the ratio of individual direct program expenses and revenues to the total direct program expenses and revenues:

- Family Medicine Exam
- Certificate of Added Competence plus Emergency Medicine Exam
- Alternate Pathways plus Pearls CE
- FMF - Family Medicine Forum
- Non-Member Mainpro+ Participants
- Self-Learning
- Continuing Professional Development
- Canadian Family Physician Journal
- Health Policy & Government Relations
- Education
- Accreditation
- Research
- Programs and Practice Support
- Foundation for Advancing Family Medicine

13. Full cost accounting (continued)

Allocation of centralized and shared expenses and revenues (continued)

Centralized and shared expenses and revenues include:

- Governance and Strategy which combines:
 - Office of the CEO
 - Other Meetings and Events (exclusive of FMF)
- Membership Services which combines:
 - Marketing & Membership Services
 - Communications
- Corporate Services which combines:
 - Human Resources
 - Finance & Asset Management
- Information Technology - Infrastructure and Business Solutions Combined

The centralized and shared expenses have been allocated as follows:

	Certificate and Assessment \$	Self Funding Programs \$	Programs Supported by Member Fees \$	2024 Total \$
Membership services	1,429,029	1,050,877	3,941,710	6,421,616
Governance and strategy	613,160	450,905	1,691,287	2,755,352
Corporate services	1,270,679	934,430	3,504,931	5,710,040
Information technology	1,553,489	1,142,402	4,285,011	6,980,902
Total	4,866,357	3,578,614	13,422,939	21,867,910
	Certificate and Assessment \$	Self Funding Programs \$	Programs Supported by Member Fees \$	2023 (9 months) Total \$
Membership services	948,321	1,313,310	3,123,751	5,385,382
Governance and strategy	320,138	443,353	1,054,528	1,818,019
Corporate services	543,412	752,560	1,789,990	3,085,962
Information technology	650,212	900,465	2,141,788	3,692,465
Total	2,462,083	3,409,688	8,110,057	13,981,828

The College of Family Physicians of Canada

Notes to the financial statements

February 29, 2024

13. Full cost accounting (continued)

Allocation of centralized and shared expenses and revenues (continued)

The centralized and shared revenues have been allocated as follows:

	Certificate and Assessment	Self Funding Programs	Programs Supported by Member Fees	2024 Total
	\$	\$	\$	\$
Membership services	—	228,471	69,815	298,286
Governance and strategy	—	45,957	14,043	60,000
Corporate services	—	34,815	10,638	45,453
Total	—	309,243	94,496	403,739

	Certificate and Assessment	Self Funding Programs	Programs Supported by Member Fees	2023 (9 months) Total
	\$	\$	\$	\$
Membership services	61,950	159,709	38,631	260,290
Governance and strategy	28,560	73,630	17,809	119,999
Corporate services	12,512	32,257	7,802	52,571
Total	103,022	265,596	64,242	432,860